

*Los Angeles County
Assessor*

STUDY ON THE SHIFT IN VALUE DISTRIBUTION

This study was prepared in response to the request of the Assembly Revenue and Taxation Committee preparatory to its September 1980 hearings in San Diego. The information developed supports the conclusion that in Los Angeles County Proposition 13 has exacerbated the shift in property tax burden from commercial-industrial to residential property.

The attached exhibits show the basis for the shift.

The turnover rate for residential properties has historically been, and continues to be, higher than for commercial and industrial properties. As a result, residential properties are reappraised more often in accordance with the change in ownership provision of Proposition 13. Exhibit 1 shows the impact of this more frequent reappraisal in terms of the value of the parcels on the 1980 Roll by property type. It indicates that for residential property well over one-half the current Roll value is represented by properties which have been reappraised during the last two years under Proposition 13, whereas less than one-third of current commercial-industrial Roll value is represented by reappraised properties.

Exhibit 2 demonstrates the greater market value increase over the last five years for residential as compared to commercial-industrial in terms of particular areas. Two bedroom communities (Hawaiian Gardens, a very low income community, and Lakewood, a community of middle income characteristics) have been compared with Burbank, a community of mixed commercial-industrial and residential development, and the City of Vernon, a heavily industrial city with a minimum of residential development. The chart shows that the more heavily residential communities have had much greater increases in real estate valuations since the passage of Proposition 13.

Exhibit 3 tabulates the actual distribution of value between major property types for the years 1970, 1975 and 1980, and gives a projection of those distributions in 1985 and 1990. The relative impact of the shift can easily be seen.

Exhibit 4 is a tabular representation of local roll property type distribution from 1969 through 1980 and also includes a projection for 1985 and 1990. This chart provides a good comparison for pre and post-Proposition 13 valuations in Los Angeles County.

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LAURENCE J. 10. 1960
VOLUME 230812

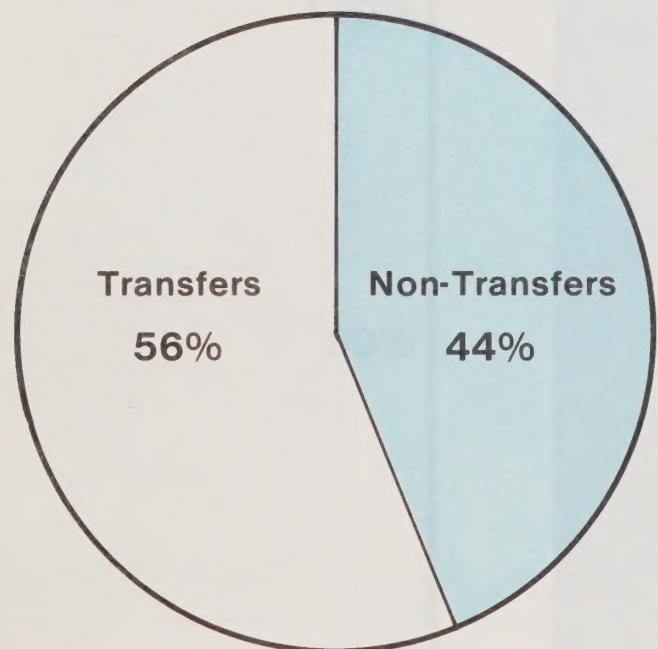
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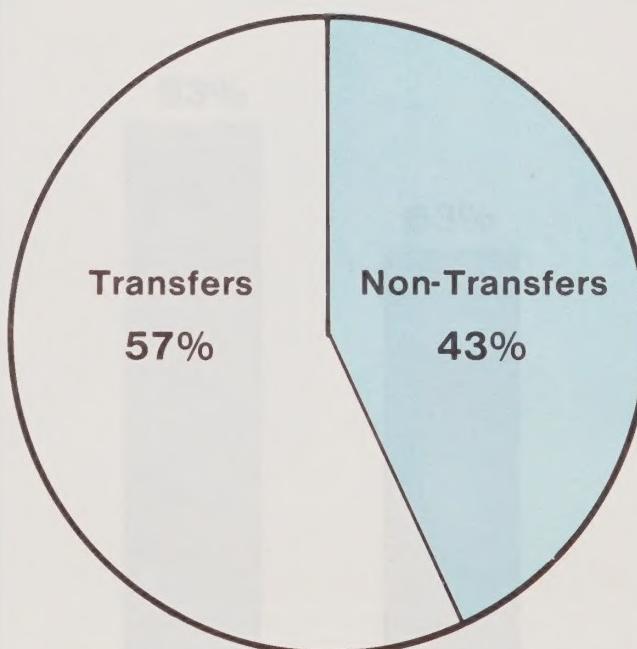
ROLL VALUE BY PROPERTY TYPE

(1980 ROLL)

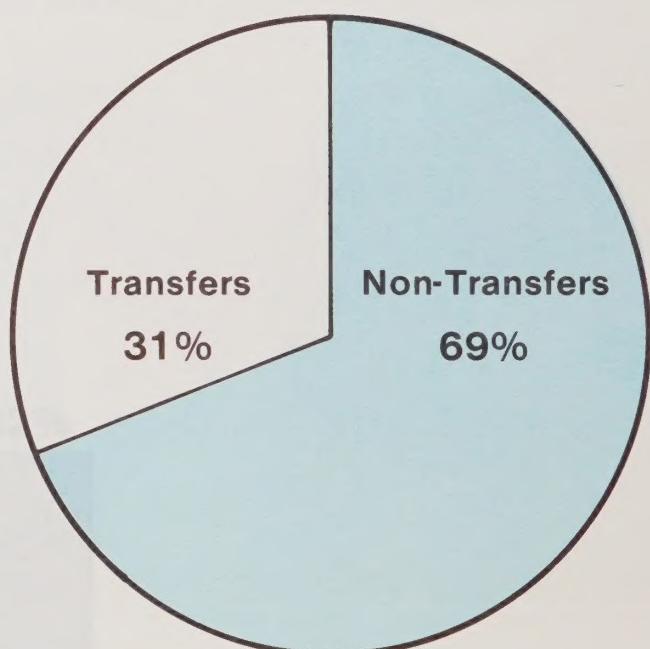
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COMPARISON OF BASE VALUES

Percent
Change

Cum 1980/1975

Percent Increases By City:

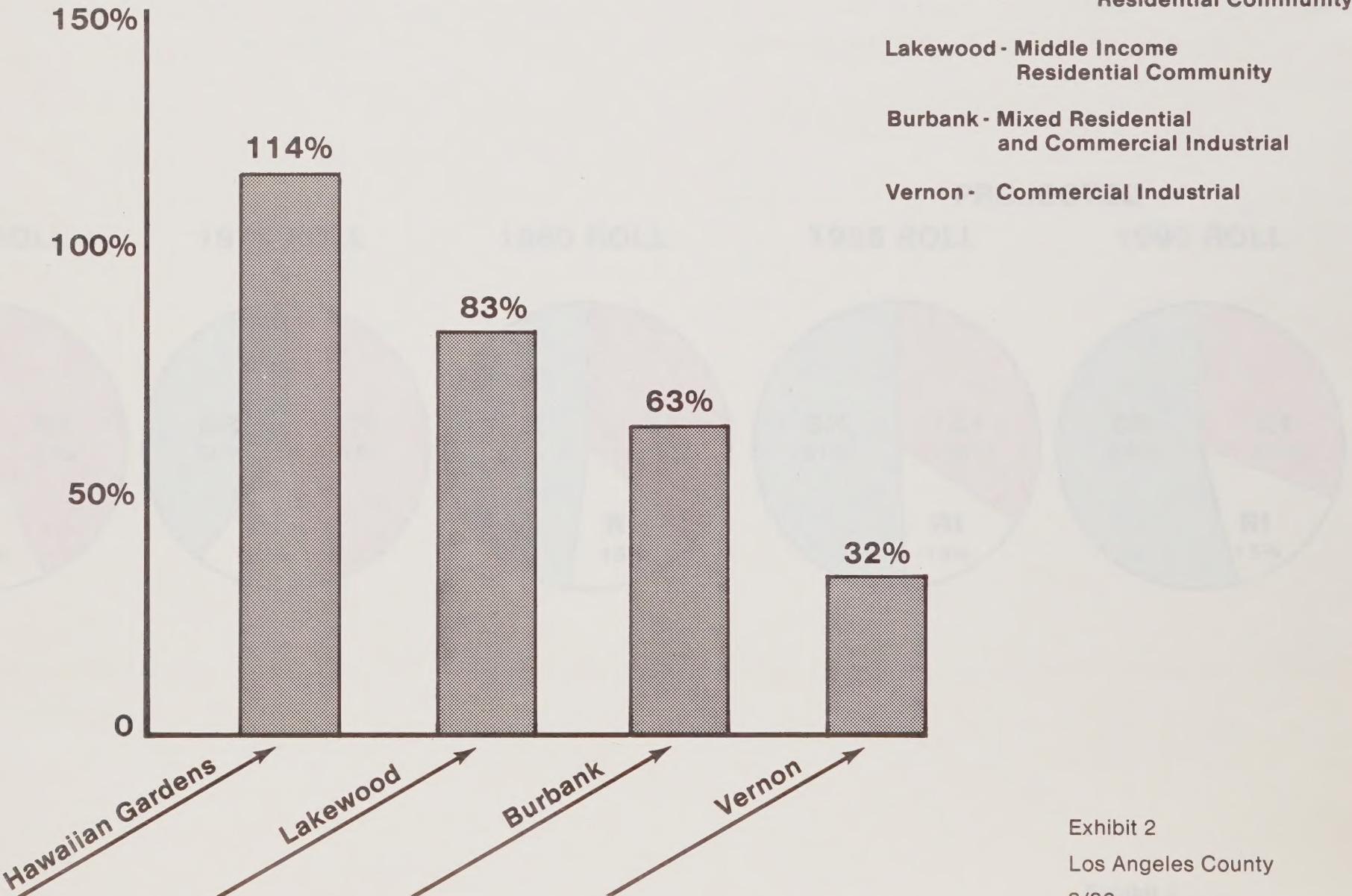
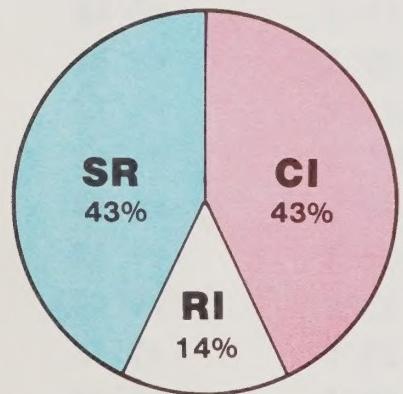


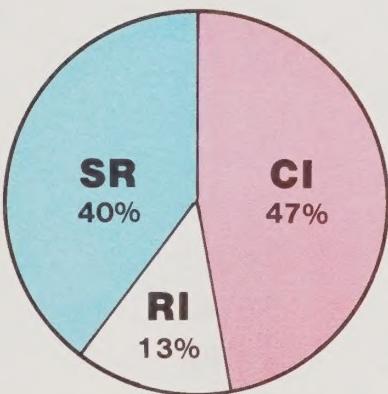
Exhibit 2
Los Angeles County
8/80

PERCENT OF ASSESSMENT ROLL BY PROPERTY TYPE

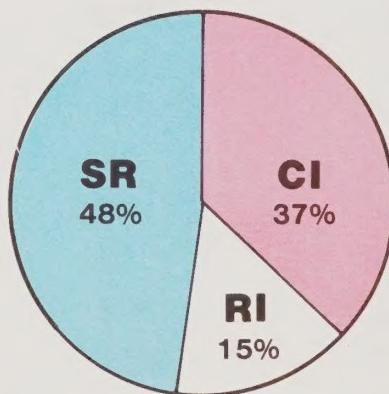
1970 ROLL



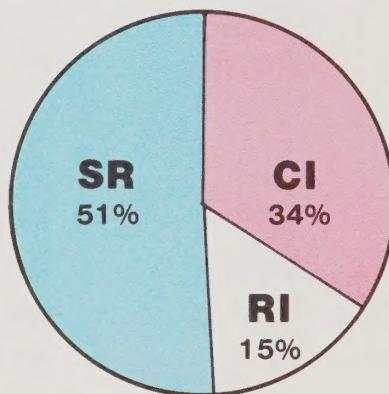
1975 ROLL



1980 ROLL

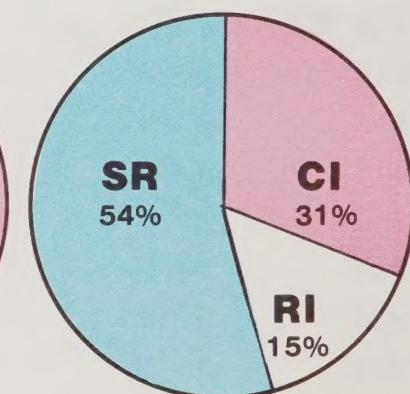


1985 ROLL



PROJECTED

1990 ROLL



LOS ANGELES COUNTY
 DISTRIBUTION OF VALUE BY PROPERTY TYPE
 TOTAL COUNTY VALUATIONS LOCAL ROLL
 (1) MARKET VALUE IN BILLIONS OF DOLLARS

YEAR	TOTAL ROLL MARKET VALUE	SFR VAL TOTAL \$	% OF TOTAL ROLL	RES-INC VAL TOTAL \$	% OF TOTAL ROLL	COM-IND VAL TOTAL \$	% OF TOTAL ROLL
1969	\$ 65.6	\$28.8	43.9%	\$ 8.4	12.8%	\$28.4	43.3%
1970	69.2	30.0	43.3%	9.2	13.4%	30.0	43.3%
1971	72.0	30.8	42.8%	9.6	13.3%	31.6	43.9%
1972	75.2	32.4	43.1%	10.4	13.8%	32.4	43.1%
(3) 1973	72.8	28.4	39.0%	10.8	14.8%	33.6	46.2%
1974	76.8	30.0	39.1%	11.2	14.6%	35.6	46.3%
1975	83.2	33.2	39.9%	11.2	13.5%	38.8	46.6%
1976	97.2	40.8	42.0%	15.2	15.6%	41.2	42.4%
1977	105.6	44.8	42.4%	16.4	15.5%	44.4	42.1%
1978	109.2	45.2	41.4%	16.0	14.7%	48.0	43.9%
(2) 1978 ADJ	119.2	52.0	43.6%	18.0	15.1%	49.2	41.3%
1979	134.4	60.4	44.9%	20.4	15.2%	53.6	39.9%
(4) 1980	150.0	71.2	47.5%	22.8	15.2%	56.0	37.3%
(5) 1985	258.0	131.0	51.0%	39.4	15.0%	87.6	34.0%
(5) 1990	448.5	241.3	53.8%	67.9	15.1%	139.3	31.1%

NOTE:

- (1) All values are exclusive of exemptions.
- (2) 1978 ADJ - represents market value after transfer and new construction changes for 1975-78 were added to the original 1978 roll.
- (3) 1973 - Homeowners exemption rose from \$750 to \$1750.
- (4) 1980 - Business inventory 100% exempt - \$2.3 billion increase in C-I base year values.
- (5) Projections based on Proposition 13 trends.

Revised: August, 1980

Exhibit 4
 Los Angeles County
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